



November 10, 2016

To
National Stock Exchange of India Limited,
Compliance Department,
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai - 400051,
Maharashtra, India

To
BSE Limited,
Compliance Department,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001,
Maharashtra, India

Sub: Press release

**Ref: HealthCare Global Enterprises Limited (“the Company”) (NSE Scrip Code: HCG/
BSE Scrip Code: 539787)**

Dear Sir/Madam,

We wish to inform you that the Board of Directors of the Company, at their meeting held this day, November 10, 2016, *inter alia*, has approved the un-audited Financial Results (Standalone and Consolidated) for the quarter and half year ended September 30, 2016.

In this respect, we enclose herewith the communication being released to the Press on the Financial Results for the quarter and half year ended September 30, 2016; and the Earnings update Q2-FY17.

Request you to take this on record.

For HealthCare Global Enterprises Limited


Sunu Manuel
Company Secretary & Compliance Officer

Encl: as above

HealthCare Global Enterprises Ltd. reports Q2 FY17 results

Revenue growth of 21% (y-o-y)

EBITDA growth of 26% (y-o-y)

PAT of INR 49 mn

Bengaluru, November 10, 2016: Healthcare Global Enterprises Limited (“HCG”) today announced its financial results for the quarter ended September 30, 2016 (“Q2 FY17”).

Highlights for the quarter ended September 30, 2016 (Q2 FY17)

- Consolidated Income from Operations (“Revenue”) was **INR 1,740 mn** as compared to **INR 1,439 mn** in the corresponding quarter of the previous year, reflecting a year-on-year increase of **21%**.
- Consolidated Profit Before Other Income, Depreciation and Amortisation, Finance Costs, Exceptional Items and Taxes (“EBITDA”) was **INR 254 mn** as compared to **INR 202 mn** in the corresponding quarter of the previous year, reflecting a year-on-year increase of **26%**.
- Profit before Taxes and Exceptional items (“PBT”) was **INR 76 million** as compared to a **profit of INR 16 mn** in the corresponding quarter of the previous year.
- Profit after Taxes and Minority Interest (“PAT”) was **INR 49 million** as compared to a **loss of INR 17 mn** in the corresponding quarter of the previous year.
- EBITDA excluding losses from new centres was **INR 272 mn**, reflecting a margin of **17.2%** and a growth of **27 %** over the corresponding quarter of the previous year.

INR million except per share data

Period Ended Sept 30	Q2-FY17	Q2-FY16	Growth (y-o-y)	H1-FY17	H1-FY16	Growth (y-o-y)
Income from Operations	1,739.8	1,439.4	20.9%	3,415.3	2,856.8	19.5%
EBITDA⁽¹⁾	254.0	202.0	25.7%	490.3	390.4	25.6%
<i>EBITDA Margin (%)</i>	<i>14.6%</i>	<i>14.0%</i>		<i>14.4%</i>	<i>13.7%</i>	
PBT⁽²⁾	76.1	16.4	NM	154.9	19.2	NM
<i>PBT Margin (%)</i>	<i>4.4%</i>	<i>1.1%</i>		<i>4.5%</i>	<i>0.7%</i>	
PAT⁽³⁾	49.4	(16.7)	NM	99.2	(21.7)	NM
<i>PAT Margin (%)</i>	<i>2.8%</i>	<i>-1.2%</i>		<i>2.9%</i>	<i>-0.8%</i>	
Earnings Per Share	0.58	(0.23)	NM	1.16	(0.30)	NM

(1) Profit before other income, depreciation and amortization, finance costs, exceptional items and taxes

(2) Profit / (Loss) before tax and exceptional items

(3) Profit / (Loss) for the period

Business Updates for Q2 FY17

- New cancer centres at Kalaburagi, Vadodara and Visakhapatnam, and our multispeciality hospital at Bhavnagar continues to ramp.
- Our cancer centre at Vijayawada has been successfully revamped and has shown strong operational performance.
- Strong adoption of the daVinci robotic surgery system at our Bengaluru and Ahmedabad centres, with over 100 procedures completed.
- Precision oncology advancements include the launch of our NGS facility as well as the development of new liquid biopsy tests that have the potential to transform the standard of care in cancer.
- Clinical innovations include the development of 3-D printing in the treatment of tongue cancers, and a novel surgical oncology technique for excision of carotid artery tumors.

Commenting on the results, **Dr. B.S. Ajaikumar, Chairman, HealthCare Global Enterprises Ltd.** said, “We are pleased to report continued strong results for the second quarter of FY 2017. HCG is at the forefront in the battle against cancer. We are making significant advances in the field of precision oncology and are seeing robust adoption of new technologies across our network that will drive superior clinical outcomes. We also continue to expand our footprint and market share across India thanks to our model of comprehensive cancer care and partnership with specialist doctors. We are also seeing strong progress in building our Milann network in addition to the current 6 centres. Overall we see good growth prospects in our business across the board. With 8 new comprehensive cancer centres under development we continue to progress towards our mission to make high quality cancer care accessible to all.”

Q2 FY17 Earnings Call

The company will conduct a one hour conference call at **5:30 PM IST on Thursday, November 10, 2016** where the management will discuss insights about the company’s performance and answer questions from participants. To participate in this conference call, please dial the numbers provided below ten minutes ahead of the scheduled start time. The dial-in number for this call is **+91 22 3960 0663 / +91 22 6746 8363** . Other numbers are listed in the conference call invite which is uploaded on the stock exchange and posted on our website.

About HCG Enterprises Ltd.:

HealthCare Global Enterprises Ltd. (HCG), headquartered in Bengaluru, is the largest provider of cancer care in India. Through its network of 17 comprehensive cancer centres across India, HCG has brought advanced cancer care to the doorstep of millions of people. HCG’s comprehensive cancer centres provide expertise and advanced technologies required for the effective diagnosis and treatment of cancer under one roof. HCG has pioneered the introduction and adoption of several technologies in the country including stereotactic radiosurgery, robotic radiosurgery and the use of genomics for personalized treatment of cancer. Under the “Milann” brand, HCG operates 6 fertility centres. **For further information, visit www.hcgel.com or contact: Company Secretary and Compliance Officer: Sunu Manuel, investors@hcgoncology.com**

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HealthCare Global Enterprises Limited
Q2-FY17 Earnings Update

November 2016



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Financial Highlights: Q2-FY17



INR million except per share data

Period Ended Sept 30	Q2-FY17	Q2-FY16	Growth (y-o-y)	H1-FY17	H1-FY16	Growth (y-o-y)
Income from Operations	1,739.8	1,439.4	20.9%	3,415.3	2,856.8	19.5%
EBITDA⁽¹⁾	254.0	202.0	25.7%	490.3	390.4	25.6%
EBITDA Margin (%)	14.6%	14.0%		14.4%	13.7%	
PBT⁽²⁾	76.1	16.4	NM	154.9	19.2	NM
PBT Margin (%)	4.4%	1.1%		4.5%	0.7%	
PAT⁽³⁾	49.4	(16.7)	NM	99.2	(21.7)	NM
PAT Margin (%)	2.8%	-1.2%		2.9%	-0.8%	
Earnings Per Share	0.58	(0.23)	NM	1.16	(0.30)	NM



Note:

(1) Profit before other income, depreciation and amortisation, finance costs, exceptional items and tax

(2) Profit before tax and exceptional items

(3) Profit for the period after taxes and minority interests

- **Q2 Revenue grew 20.9% y-o-y**
 - HCG⁽¹⁾ centers: **+20.9%** y-o-y
 - Milann⁽²⁾ centers: **+20.3%** y-o-y
- **Q2 EBITDA increased 25.7% y-o-y**
 - Existing centers: **INR 272 Mn (17.2% margin; +26.5% growth y-o-y)**
 - New centers⁽³⁾: **Loss of INR 18.4 Mn**
- **H1 Revenue grew 19.5% y-o-y**
 - HCG⁽¹⁾ centers: **19.4%** y-o-y
 - Milann⁽²⁾ centers: **21.3 %** y-o-y
- **H1 EBITDA increased 25.6% y-o-y**
 - Existing centers: **INR 536 Mn (16.9% margin; +28.8% growth y-o-y)**
 - New centers⁽³⁾: **Loss of INR 45.3 Mn**

(1) 17 comprehensive cancer centers, 2 multispeciality hospitals, 3 diagnostic centers and 1 day care chemotherapy center operated under the “HCG” brand

(2) 6 fertility centers operated under the “Milann” brand

(3) 4 HCG centers and 3 Milann centers that commenced operation after April 1, 2015

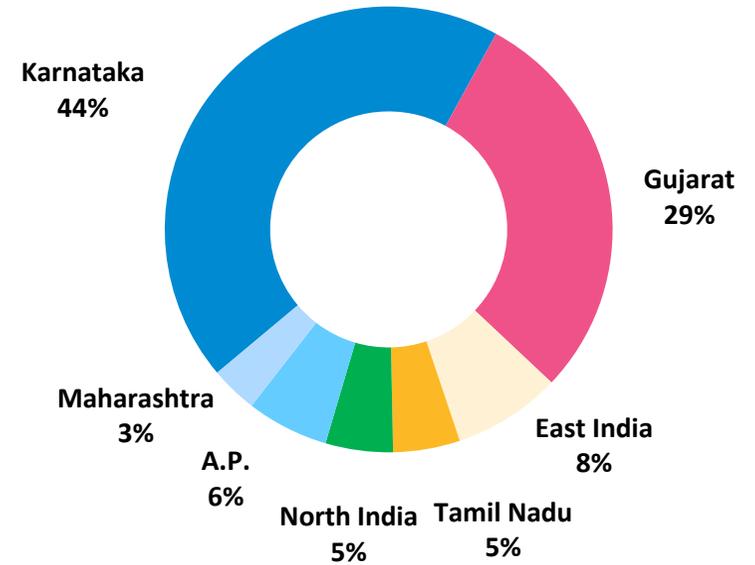
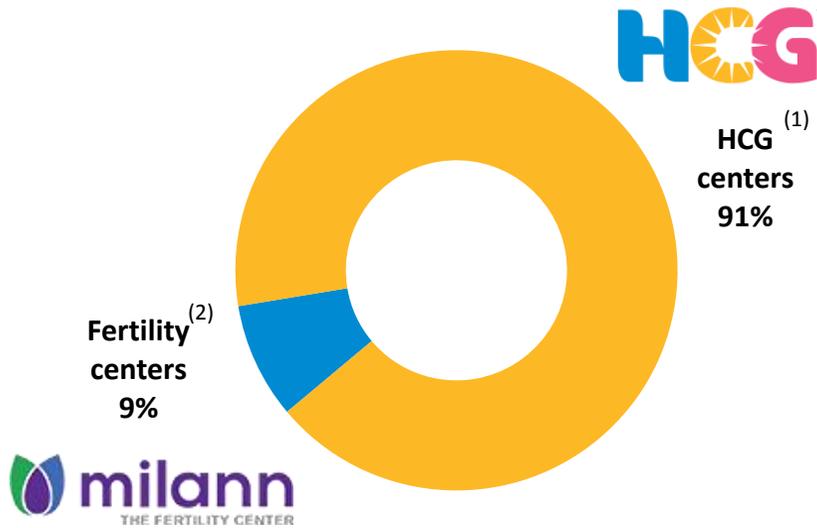


Revenue Mix



Q2-FY17 Revenue:
INR 1,740 Mn

HCG centers Q2-FY17 Revenue:
INR 1,591 Mn



- 1) Centers operated under the "HCG" brand – 17 comprehensive cancer centers, 2 multispeciality hospitals, 3 diagnostic centers and 1 day care chemotherapy center, as at Sept 30, 2016
- 2) 6 fertility centers operated under the "Milann" brand, as at Sept 30, 2016



HCG Centers - Revenue



INR million

Period ended Sept 30	Q2-FY17	Q2-FY16	Growth (y-o-y)
Karnataka	701	625	12.2%
Gujarat	463	330	40.2%
East India	124	105	18.4%
Tamil Nadu	77	64	20.8%
North India	77	72	8.3%
Maharashtra	54	49	10.9%
Andhra Pradesh	95	44	112.7%
Centres exited in FY16 ⁽¹⁾	-	27	NM
	1,591	1,316	20.9%

(1) Diagnostic centre in Chennai: Q2-FY16; BNH cancer centre in Mumbai: Q2-FY16

- **Continuing strong ramp at several cancer centers in Q2-FY17**
 - Hubli: **+29%** y-o-y
 - Vijayawada: **+69%** y-o-y
 - Chennai: **+27%** y-o-y
 - Cuttack: **+21%** y-o-y
- **Vijayawada center successfully revamped and showing strong operational performance**
- **New centers added INR 131 Mn in Q2-FY17**
 - Bhavnagar (Q1-FY16)
 - Kalaburagi, i.e.Gulbarga (Q4-FY16)
 - Vadodara (Q1-FY17)
 - Visakhapatnam (Q1-FY17)
- **HCG centers (excluding centers exited) grew at 23.5% in Q2-FY17**

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HCG Centers: Operating Metrics



INR million

Period ended Sept 30	Q2-FY17	Q2-FY16	Growth (y-o-y)
No. of Centres	19	17	
Beds	1,263	1,063	
Occupied Bed Days	55,072	51,167	7.6%
Average Occupancy Rate	47.4%	52.3%	
ALOS	2.78	2.97	
ARPOB (INR/Day)	28,889	25,714	12.3%
Revenue (INR mn)	1,591	1,316	20.9%
EBITDA Margin (%)	19.1%	18.4%	

Notes:

1. Number of beds in operation as at the last day of the period
2. Occupied Bed Days calculated based on mid-day census
3. Average Occupancy Rate ("AOR") calculated as Occupied Bed Days divided by available bed days in the period
4. Average Revenue per Occupied Bed ("ARPOB") calculated as Revenue divided by Occupied Bed Days
5. Average Length of Stay ("ALOS") calculated as Occupied Bed Days divided by number of admissions (including day care admissions)
6. EBITDA margin before corporate expenses

Q2-FY17 Highlights

- **7.6% increase in occupied bed days**, driven by launch of new centers and growth at existing centers
- **12.3% increase in ARPOB**, driven by adoption of new technologies across the network, offset by lower ARPOB at new centers
- **Reduction in ALOS** in line with trend towards day care procedures and changing patient profile
- **2.6% improvement in EBITDA margin** from Existing centers (i.e. excluding New Centers) to **22.1%** in Q2-FY17 from **19.5%** in Q2-FY16, driven by decrease in direct costs as a proportion of revenue



HCG Centers: Q2-FY17 Regional Highlights



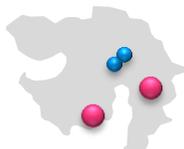
centers	Beds	AOR	ARPOB (INR/Day)	Revenue (INR MN)	EBITDA (%)
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Karnataka



6	522	45.7%	32.0K	701	24.5%
		↓ -5.4% ⁽¹⁾	↑ +18.6%	↑ +12.2%	

Gujarat



4	304	54.4%	30.4K	463	11.3%
		↑ +36.3% ⁽¹⁾	↑ 2.8%	↑ +40.2%	

East India



2	165	62.1%	13.2K	124	26.6%
		↓ -0.4% ⁽¹⁾	↑ +18.9%	↑ +18.4%	

Notes:

- (1) Increase / (Decrease) in Occupied Bed Days
- (2) Growth numbers are on an year-on-year basis
- (3) EBITDA before corporate expenses

- New centers
- Existing centers

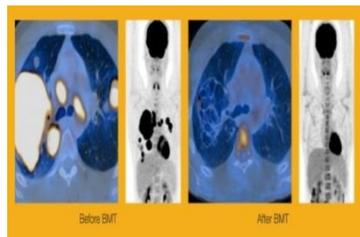
- Civil disturbance in September temporarily impacted volumes
- Continuing shift in payer profile

- Bhavnagar center achieved breakeven
- Vadodara center ramping up
- EBITDA margin of existing centers at 15.8%
- Margin improvement across the region

- Shift in payor profile underway
- ARPOB expansion driven by adoption of new technologies



Bengaluru: Center of Excellence



Overview:

- Kalinga Rao Road (KR) center: Established in 2006
- Double Road (DR) center: Established in 1989

Key Facilities

- 4 Linear Accelerators (incl. CyberKnife and TomoTherapy radiotherapy systems)
- 2 PET-CT Scanners; Cyclotron to manufacture radioisotopes
- daVinci robotic surgery system; 11 Operation Theatres
- 276 Beds
- Bone Marrow Transplant Unit

- **Successful commercialization of new technologies**
 - 90+ robotic surgery procedures completed
- **Optimization of capacity, AOR at 54%**
 - 50 beds reduced y-o-y
 - Continued focus on improving payor profile
- **EBITDA margin expansion of 4.2% y-o-y**
 - Service mix enhancement
- **ROCE⁽¹⁾ in H1-FY17 increased to 20.4% as compared to 14.9% in H1-FY16**

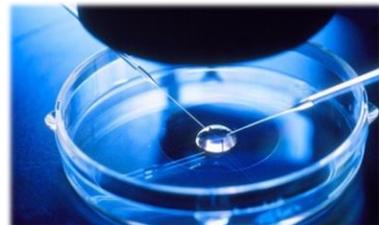
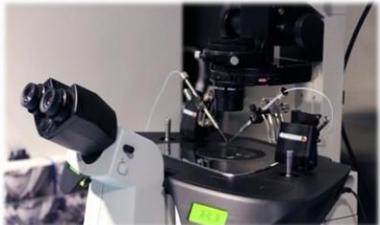
⁽¹⁾ROCE calculated as EBIT divided by average Capital Employed

⁽¹⁾Capital Employed = Net Block + Operating Current Assets - Operating Current Liabilities

	H1-FY17	H1-FY16	Growth (y-o-y)
Beds	276	326	
Occupied Bed Days	27,298	28,455	-4.1%
Average Occupancy Rate	54.0%	47.7%	
ARPOB (INR/Day)	41,472	36,128	14.8%
Revenue (INR mn)	1,132	1,028	10.1%
EBITDA Margin (%)	26.4%	22.6%	

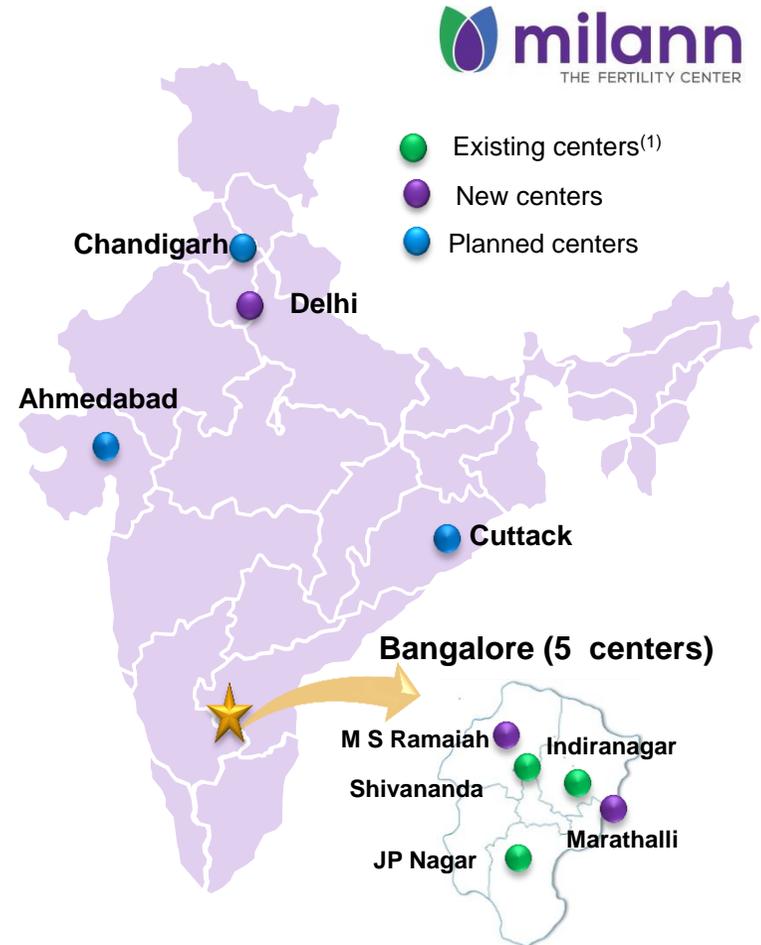


Milann: Expansion on Track



	Q2-FY17	Q2-FY16	Growth
New Registrations	1,065	915	16.4%
IVF Cycles	450	368	22.3%
Revenue (INR Mn)	149	124	20.3%

- Successful launch of Milann Delhi with operations ramping up
- Upcoming new centres at Chandigarh, Cuttack and Ahmedabad



(1) centers in operation prior to April 1, 2015, i.e. Shivananda, JP Nagar, and Indiranagar.

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Capital Expenditure and Net Debt



Capital Expenditure

INR Million

	Q2-FY17	Q1-FY17	FY16
HCG Centres			
Existing Centres	52	103	336
Expansions	31	37	528
New Centres	329	217	1,237
	412	356	2,101
Milann Centres			
Existing Centres	6	7	48
Expansions	-	-	-
New Centres	19	19	60
	25	26	108
Total CapEx	437	382	2,209

Includes amounts given as Security Deposit for New Centres of 62 million in Q1-FY17 and 31 million in Q2-FY17

- Pan-India SAP and HIS roll-out
- Expansion and addition of new technology at Ahmedabad

Net Debt

INR Million

	30-Sep-16	30-Jun-16	31-Mar-16
Net Debt			
Bank Debt ⁽¹⁾	1,013	850	694
Vendor Finance	1,552	1,542	1,520
Capital Leases	476	476	476
Other Debt	116	120	137
Less: Cash and Equivalents ⁽²⁾	(811)	(863)	(883)
	2,346	2,125	1,944
Debt in New Centres			
Bank Debt	553	455	315
Vendor Finance	904	781	776
Other Debt	14	15	16
	1,472	1,251	1,107
Net Debt (Excl. New Centres)	874	874	837

(1) Net of Bank balance held as margin money of INR 70 mn as at 31-Mar-16, INR 68 mn as at 30-Jun-16 and INR 98 mn as at 30-Sep-16

(2) Includes investment in mutual funds of INR 635 mn as at 31-Mar-16 and INR 503 mn as at 30-Jun-16 and INR 406 mn as on 30-Sep-16

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Project Update



INR million

3 new HCG centers operational as of Sept. 30, 2016
Additional 3 new HCG centers by June 2017

Location	Bed Capacity	Project Cost	Start Date
Kalaburagi, Karnataka	85	240	Q4-FY16
Visakhapatnam, A.P.	88	278	Q1-FY17
Vadodara, Gujarat	69	395	Q1-FY17
Kanpur, U.P.	90	839	Q3-FY17E
Borivali, Maharashtra	105	584	Q4-FY17E
Nagpur, Maharashtra	115	457	Q1-FY18E

3 new Milann centers operational as of Sept 30, 2016.
Additional 3 new Milann centers by June 2017

Location	Start Date
M.S.Ramaiah, Bengaluru	Q2-FY16
Delhi	Q4-FY16
Marathalli, Bengaluru	Q1-FY17
Chandigarh	Q3-FY17E
Cuttack	Q4-FY17E
Ahmedabad	Q1-FY18E





For updates and specific queries, please visit www.hcgel.com
or feel free to contact investors@hcgoncology.com

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